

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-03515A
Tonto Basin Water Company, Inc.
P.O. Box 82218
Bakersfield, CA 93380

RECEIVED

APR 17 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT

FOR YEAR ENDING

12	31	2005
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FOR COMMISSION USE

ANN04	05
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4-17-06
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COMPANY INFORMATION

Company Name (Business Name): Tonto Basin Water Company, Inc.

Mailing Address: P.O. Box 82218
(Street)

Bakersfield CA 93380
(City) (State) (Zip)

800-270-6084 or 661-633-7546 800-748-6981
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address: customerservice@gswater.com or mistiej@brookeutilities.com

Local Office Mailing Address: 1010 S. Stover Road

Payson Arizona 85541
(City) (State) (Zip)

928-474-8130 928-474-1695
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

MANAGEMENT INFORMATION

Management Contact: Robert T. Hardcastle President
(Name) (Title)

P.O. Box 82218 Bakersfield CA 93380
(Street) (City) (State) (Zip)

661-633-7526 781-823-3070
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address: rth@brookeutilities.com

On Site Manager: Shaun Stouder
(Name)

1010 S. Stover Road Payson AZ 85541
(Street) (City) (State) (Zip)

928-474-8130 928-474-1695
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address: shauns@brookeutilities.com

☒ Please mark this box if the above address(es) have changes or are updated since the last filing.

Statutory Agent: Robert T. Hardcastle
(Name)

P.O. Box 82218
(Street)

Bakersfield
(City)

CA
(State)

93380
(Zip)

661-633-7526

Telephone No. (Include Area Code)

781-823-3070

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Jay Shapiro with Fennemore Craig
(Name)

3003 N. Central Ave. Ste. 2600
(Street)

Phoenix
(City)

AZ
(State)

85012
(Zip)

602-916-5000

Telephone No. (Include Area Code)

602-916-5566

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe)

COUNTIES SERVED

Check the box for the county/ies in which you are certified to provide service:

<input type="checkbox"/> APACHE	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input checked="" type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input type="checkbox"/> MARICOPA	<input type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

COMPANY NAME: TONTO BASIN WATER COMPANY, INC**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	5,241	3,804	1,437
304	Structures and Improvements	55,305	39,748	15,557
307	Wells and Springs	93,873	66,976	26,896
311	Pumping Equipment	85,520	28,303	57,217
320	Water Treatment Equipment	5,064	1,240	3,824
330	Distribution Reservoirs and Standpipes	87,430	50,174	37,256
331	Transmission and Distribution Mains	168,829	100,137	68,692
333	Services	27,235	19,767	7,468
334	Meters and Meter Installations	104,217	25,545	78,672
335	Hydrants	453	131	322
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	116,804	84,777	32,027
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	1,936	443	1,492
346	Communication Equipment	2,209	124	2,085
347	Miscellaneous Equipment			
348	Other Tangible Plant	141	27	114
	TOTALS	754,256	421,196	333,061

This amount goes on the Balance Sheet Acct. No.108 

COMPANY NAME: TONTO BASIN WATER COMPANY, INC**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	5,241	3.20%	168
304	Structures and Improvements	55,305	3.20%	1,770
307	Wells and Springs	93,873	3.20%	3,004
311	Pumping Equipment	73,060	3.47%	2,537
320	Water Treatment Equipment	5,064	3.20%	162
330	Distribution Reservoirs and Standpipes	87,430	3.20%	2,798
331	Transmission and Distribution Mains	168,829	3.20%	5,403
333	Services	27,235	3.20%	872
334	Meters and Meter Installations	84,428	3.58%	3,018
335	Hydrants	453	3.20%	14
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	116,804	3.20%	3,738
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	1,936	3.20%	62
346	Communication Equipment	2,209	3.20%	71
347	Miscellaneous Equipment			
348	Other Tangible Plant	141	3.21%	5
	TOTALS	722,008	3.27%	23,620

This amount goes on Comparative Statement of Income and Expense
Acct. No.403.

COMPANY NAME: TONTO BASIN WATER COMPANY, INC

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ -	\$ -
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	4,890	5,716
146	Notes/Receivables from Associated Company		
151	Plant Materials and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	(83)	-
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 4,807	\$ 5,716
	FIXED ASSETS		
101	Utility Plant in Service	\$ 722,007	\$ 754,256
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	(397,575)	(421,196)
121	Not-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 324,432	\$ 333,060
	DEFERRED INCOME TAX DEBITS	\$ 103,000	\$ 103,000
	TOTAL ASSETS	\$ 432,239	\$ 441,776

NOTE: The Assets on this page should be equal to **Total Liabilities & Capital** on the following page.

COMPANY NAME: TONTO BASIN WATER COMPANY, INC**BALANCE SHEET (CONTINUED)**

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 5,934	\$ 6,038
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Company	(178,442)	(270,126)
235	Customer Deposits	18,037	24,810
236	Accrued Taxes	8,141	2,929
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	16,979	29,186
	TOTAL CURRENT LIABILITIES	\$ (129,351)	\$ (207,164)
	LONG-TERM DEBT (Over 12 Months)		
224	Long-term Notes and Bonds	\$ 14,757	\$ -
	Deferred Credits		
251	Unamortized Premium on Debt		
	Refundable Meter Advances	\$ 53,605	\$ 69,752
252	Advances in Aid of Construction	2,228	10,131
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	82,981	82,981
272	Less: Amortization of Contributions	(38,371)	(41,026)
281	Accumulated Deferred Income Taxes		
	TOTAL DEFERRED CREDITS	\$ 100,443	\$ 121,838
	TOTAL LIABILITIES	\$ (24,845)	\$ (85,326)
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 276,219	\$ 276,219
211	Paid In Capital in Excess of Par Value	79,748	79,748
215	Retained Earnings	101,117	171,135
218	Proprietary Capital (Sole Props & Partnerships)		
	TOTAL CAPITAL	\$ 457,084	\$ 527,102
	TOTAL LIABILITIES AND CAPITAL	\$ 432,239	\$ 441,776

COMPANY NAME: TONTO BASIN WATER COMPANY, INC**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 272,986	\$ 275,182
460	Unmetered Water Revenue		
474	Other Water Revenues	5,906	6,295
	TOTAL REVENUES	\$ 278,892	\$ 281,477
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 58,973	\$ 39,268
610	Purchased Water		
615	Purchased Power	19,857	16,595
618	Chemicals	3,455	1,272
620	Repairs & Maintenance	4,313	8,347
621	Office Supplies and Expense	-	39,804
630	Outside Services	47,583	36,965
635	Water Testing	5,244	7,110
641	Rents		2,191
650	Transportation Expenses	3,622	
657	Insurance - General Liability		821
659	Insurance - Health and Life	4,659	4,114
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	30,085	2,575
403	Depreciation Expense	22,692	20,965
408	Taxes Other Than Income	17,289	17,605
408.11	Property Taxes	13,608	13,608
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 231,380	\$ 211,239
	OPERATING INCOME/(LOSS)	\$ 47,512	\$ 70,238
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ -	\$ -
421	Non-Utility Income		779
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(1,793)	(1,000)
	TOTAL OTHER INCOME/EXPENSE	\$ (1,793)	\$ (221)
	NET INCOME/(LOSS)	\$ 45,719	\$ 70,017

COMPANY NAME: TONTO BASIN WATER COMPANY, INC

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN # 1	LOAN # 2	LOAN # 3	LOAN # 4
Date Issued	5/1/2000			
Source of Loan	Brooke Utilities			
ACC Decision No.	62401			
Reason for loan	see below			
Dollar Amount Issued	\$ 45,900			
Amount Outstanding	\$ -			
Date of Maturity	4/30/2005			
Interest Rate	10%			
Current Year Interest	\$ 1,000			
Current Year Principal	\$ 4,062			

Meter Deposit Balance at Test Year End	<u>\$ 69,752</u>
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Meter Deposits Refunded During the Test Year \$ 10,683

The purpose of the loan was to finance capital expenditure project to improve water system infrastructures.

COMPANY NAME: Tonto Basin Water Company, Inc.

WATER COMPANY PLANT DESCRIPTION

Wells Some data as of 12/2005

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled	Arsenic Levels (mg/L)
55-631117 ^A	1.5	19	80	8	2	1970	0.0031
55-631116 ^A	1.5	16.4	50	6	1	1970	0.0031
55-553109	2.0	36	50	8	2	1996	0.0031
55-631111	1.5	47.2	80	8	2	1970	<0.001
55-631118	2.0	15.6	80	8	2	1965	0.0014
55-605248 ^A	5	75.0	100	10	2	1960	0.0014
55-527619 ^A	No pump	0.0	80	10	None	1990	N/A
55-527761	0.75	0.00	80	6	None	1990	N/A
55-621331 ^A	5	40	680	8	2	1959	0.017
55-621337 ^A	25	105	680	8	3	1955	0.017

* Arizona Department of Water Resources Identification Number

Notes

A: Data shown may be inconsistent with previous reports due to corrections pursuant to original well registration documents

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None	N/A	

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5.0	1	7	6
7.5	4		
15.0	2		

COMPANY NAME: Tonto Basin Water Company, Inc.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
10,000 gallons	2	2,000 gallons	5
15,000 gallons	1	5,000 gallons	1
20,000 gallons	1		
30,000 gallons	2		
40,000 gallons	1		
100,000 gallons	1		

MAINS

Size (in inches)	Material	Length (in feet)
1.5	Galv.	14,700
2	PVC	3,610
2	AC	618
2	Galv.	20,192
2.5	Galv.	1,110
3	PCV	372
3	AC	4,000
3	Galv.	2158
4	PVC	14,505
4	AC	2,095
6	PVC	27,686
6	AC	3,489

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	854
3/4	0
1	15
1 1/2	0
2	3
Comp. 3	1
Turbo 3	0
Comp. 4	1
Turbo 4	0
Comp. 6	0
Turbo 6	0
Total	854

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

4- pellet chlorinators _____

STRUCTURES:

382' fencing _____
1 8' x 8' concrete block building _____

OTHER:

COMPANY NAME: Tonto Basin Water Company, Inc. Lake Roosevelt Gardens East Water System

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005
PWS 04-022

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD¹ (Thousands)	GALLONS PUMPED (Thousands)
JANUARY	34	225	86
FEBRUARY	34	-139	89
MARCH	34	123	68
APRIL	34	19	94
MAY	34	209	234
JUNE	34	217	275
JULY	36	171	395
AUGUST	36	180	18
SEPTEMBER	36	185	206
OCTOBER	35	152	396
NOVEMBER	35	140	163
DECEMBER	35	99	111
TOTAL		1,581	2,135

Notes:

¹ January 2005 consumption was estimated due to weather. The actual meter reads obtained in February 2005 resulted in the reversal of all gallons estimated but not used between December 2004 read and February 2005 read.

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes ☒ No

If yes, provide the GPCPD amount:_____

What is the level of arsenic for each well on your system. __see page 10__ mg/l
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Tonto Basin Water Company, Inc. Roosevelt Lake Estates Water System

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005
PWS 04-036

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)
JANUARY	189	174	600
FEBRUARY	190	444	492
MARCH	189	443	465
APRIL	189	601	615
MAY	190	1,109	1,233
JUNE	190	1,427	1,342
JULY	191	1,039	1,259
AUGUST	190	1,257	1,434
SEPTEMBER	190	1,245	1,270
OCTOBER	190	926	988
NOVEMBER	189	780	889
DECEMBER	192	646	768
TOTAL		10,091	11,355

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. ___ see page 10 ___ mg/l
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Tonto Basin Water Company, Inc. Lake Roosevelt Gardens West Water System

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005
PWS 04-047

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)
JANUARY	104	1,171	1,026
FEBRUARY	105	786	899
MARCH	105	825	888
APRIL	111	878	1,038
MAY	112	1,517	1,704
JUNE	115	1,891	2,222
JULY	118	1,537	1,655
AUGUST	120	1,966	2,064
SEPTEMBER	123	1,844	1,986
OCTOBER	123	1,719	3,376
NOVEMBER	123	1,474	1,621
DECEMBER	125	1,386	1,466
TOTAL		16,994	19,945

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. ___ see page 10 ___ mg/l
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Tonto Basin Water Company, Inc. North Bay Estates Water System

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005
PWS 04-049

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)
JANUARY	49	480	257
FEBRUARY	49	-338	198
MARCH	49	200	261
APRIL	49	66	231
MAY	50	296	324
JUNE	51	331	443
JULY	51	294	398
AUGUST	51	285	373
SEPTEMBER	51	281	289
OCTOBER	51	275	311
NOVEMBER	51	202	268
DECEMBER	51	158	204
TOTAL		2,530	3,557

Notes:

¹ January 2005 consumption was estimated due to weather. The actual meter reads obtained in February 2005 resulted in the reversal of all gallons estimated but not used between December 2004 read and February 2005 read.

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes ☒ No

If yes, provide the GPCPD amount:_____

What is the level of arsenic for each well on your system. _____see page 10 _____mg/l
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Tonto Basin Water Company, Inc. : Cactus Forest Water System

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005
PWS 11-052

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)
JANUARY	212	2,420	2,333
FEBRUARY	213	1,302	1,167
MARCH	209	1,129	950
APRIL	211	2,080	1,989
MAY	212	2,475	2,260
JUNE	214	2,705	2,616
JULY	214	3,494	3,184
AUGUST	217	2,847	2,781
SEPTEMBER	218	2,668	2,303
OCTOBER	218	2,353	2,104
NOVEMBER	218	2,100	1,878
DECEMBER	220	2,058	1,855
TOTAL		27,631	25,420

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(X) Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. __see page 10 _____mg/l
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Tonto Basin Water Company, Inc. **YEAR ENDING 12/31/2005**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: \$ **8,722.55**

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

APR 17 2006

VERIFICATION

**STATE OF California
I, THE UNDERSIGNED
OF THE**

<small>COUNTY OF (COUNTY NAME)</small> Kern
<small>NAME (OWNER OR OFFICIAL) TITLE</small> Robert T. Hardcastle
<small>COMPANY NAME</small> Tonto Basin Water Company, Inc.

**AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES**

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

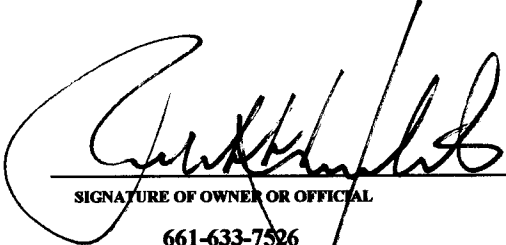
<small>MONTH</small> 12	<small>DAY</small> 31	<small>YEAR</small> 2005
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HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL
661-633-7526

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

12th

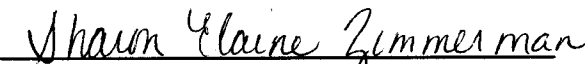
DAY OF

<small>COUNTY NAME</small> Kern	
<small>MONTH</small> April	<small>YEAR</small> 2006

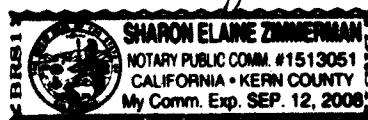
(SEAL)

MY COMMISSION EXPIRES

Sept 12, 2008



SIGNATURE OF NOTARY PUBLIC



COMPANY NAME: Tonto Basin Water Company, Inc.

YEAR ENDING 12/31/2005

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	\$ 61,369
Estimated or Actual Federal Tax Liability	\$ 0
State Taxable Income Reported	\$ 61,369
Estimated or Actual State Tax Liability	\$ 0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____

Amount of Gross-Up Tax Collected _____

Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

4-12-06

DATE

Robert T. Hardcastle

PRINTED NAME

President

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 17 2006

VERIFICATION

STATE OF California

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
Kern
NAME (OWNER OR OFFICIAL) TITLE
Robert T. Hardcastle
COMPANY NAME:
Tonto Basin Water Company, Inc.

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 281,477

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 17,605
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

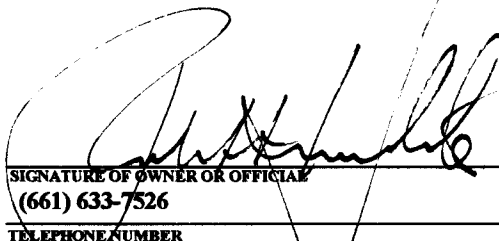
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 12th **DAY OF**

(SEAL)

MY COMMISSION EXPIRES Sept 12, 2006



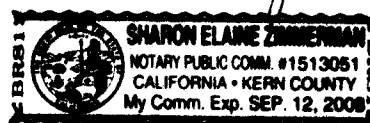
SIGNATURE OF OWNER OR OFFICIAL
(661) 633-7526

TELEPHONE NUMBER

COUNTY NAME
Kern
MONTH
April
2006

Sharon Elaine Zimmerman

SIGNATURE OF NOTARY PUBLIC



**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

APR 17 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) KERN		
NAME (OWNER OR OFFICIAL)	ROBERT T. HARDCASTLE	TITLE: President
COMPANY NAME: Tonto Basin Water Co., Inc.		

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

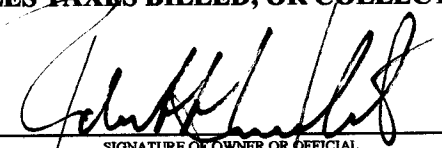
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

**ARIZONA INTRASTATE GROSS OPERATING REVENUES
256,591.42**

**(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 16,791.34
IN SALES TAXES BILLED, OR COLLECTED)**

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**



SIGNATURE OF OWNER OR OFFICIAL

661-633-7526

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

12th

DAY OF

NOTARY PUBLIC NAME Sharon Elaine Zimmerman	
COUNTY NAME Kern	
MONTH April	2006

(SEAL)



MY COMMISSION EXPIRES

Sept 12, 2008



SIGNATURE OF NOTARY PUBLIC

19632

Tonto Basin Water Company

6103

GILA COUNTY TREASURER

Apr 6 05

3119/2 Apr 6 05	178.74	0.00	178.74
35868/2 Apr 6 05	3,444.60	0.00	3,444.60
35869/2 Apr 6 05	394.32	0.00	394.32
35870/2 Apr 6 05	1,129.93	0.00	1,129.93

NOT NEGOTIABLE

5,147.59

0.00

5,147.59

Tonto Basin Water Company
P.O. Box 82218
Bakersfield, CA 93380-2218

BANK OF AMERICA
1440 TRUXTON AVENUE
BAKERSFIELD, CA 93301

19632

16-66
1220

CHECK NO.

***** Five Thousand One Hundred Forty-Seven and 59/100 *****

DATE

AMOUNT

Apr 6 05

\$5,147.59

GILA COUNTY TREASURER
P.O. BOX 1093
GLOBE, AZ
85502

NOT NEGOTIABLE

⑈049632⑈ ⑆122000661⑆ 14769⑈01525⑈

TOTALS

27520

8228

35748

35436

312

TEAR OFF ALONG DOTTED LINES

TEAR OFF ALONG DOTTED LINES

20458

Tonto Basin Water Company

6103

GILA COUNTY TREASURER

Sep 29 05

36037 1ST Jul 1 05

3,410.78

0.00

3,410.78

NOT NEGOTIABLE

3,410.78

0.00

3,410.78

20458

Tonto Basin Water Company
P.O. Box 82218
Bakersfield, CA 93380-2218

BANK OF AMERICA
1440 TRUXTON AVENUE
BAKERSFIELD, CA 93301

CHECK NO.

16-66
1220

***** Three Thousand Four Hundred Ten and 78/100 *****

DATE

Sep 29 05

AMOUNT

\$3,410.78

PAY
TO THE
ORDER
OF

GILA COUNTY TREASURER
P.O. BOX 1093
GLOBE, AZ
85502

✓
NOT NEGOTIABLE

⑈020458⑈ ⑆122000661⑆ 14769⑈01525⑈